

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

WESTCHESTER PUTNAM COUNTIES  
HEAVY AND HIGHWAY LABORERS  
LOCAL 60 BENEFIT FUNDS and  
LABORERS LOCAL 235 BENEFIT  
FUNDS, Derivatively on Behalf of Nominal  
Defendant, STRYKER CORPORATION,

Plaintiffs,

v.

STEPHEN P. MACMILLAN, JOHN W.  
BROWN, HOWARD E. COX, JR.,  
DONALD M. ENGELMAN, LOUISE L.  
FRANCESCONI, WILLIAM U. PARFET,  
RONDA E. STRYKER, SRIKANT M.  
DATAR, and HOWARD L. LANCE,

Defendants,

and

STRYKER CORPORATION,

Nominal Defendant.

No. 10-CV-284

Hon. Gordon J. Quist  
U.S. District Judge

**STIPULATION**

**WHEREAS**, by letter dated July 31, 2008, Westchester Putnam Counties Heavy and Highway Laborers Local 60 Pension Fund ("Local 60") made a demand on the Board of Stryker Corporation (the "Company") requesting that the Board investigate allegations regarding certain alleged physician compensation practices;

**WHEREAS**, by letter dated February 2, 2010, Laborers Local 235 Benefit Funds ("Local 235") joined in Local 60's prior demand on the Board of the Company requesting that

the Board investigate allegations identified in the Local 60 demand letter, as well as allegations in an October 28, 2009 indictment in the District of Massachusetts charging Stryker Biotech LLC and certain current and former Company employees;

**WHEREAS**, the Board of the Company authorized a special committee, consisting of two disinterested independent directors pursuant to MICH. COMP. LAWS § 450.1495 (the "Special Committee"), to conduct an investigation of the allegations in the demand letters and to make a determination regarding what further action, if any, should be taken by the Company;

**WHEREAS**, the Special Committee has retained independent counsel to assist the Special Committee with its investigation;

**WHEREAS**, Local 60 and Local 235 filed this action on March 25, 2010 (the "Derivative Proceeding"), alleging that certain current and former officers and directors of Stryker Corporation (the "Company") breached fiduciary duties owed to the Company in connection with various allegations, including, but not limited to, allegations raised in the demand letters sent by Local 60 and Local 235;

**WHEREAS**, the Special Committee's investigation is underway and the Special Committee wishes to complete its investigation of the allegations in the Complaint and in the demand letters and decide on a response that is in the best interests of the Company;

**WHEREAS**, because the Special Committee is investigating on behalf of the Company all allegations in the Complaint and in the demand letters and that investigation is ongoing, this Court is authorized to stay the derivative proceeding pursuant to MICH. COMP. LAWS § 450.1494;

**WHEREAS**, the Special Committee requires the ability to enter into agreements with Plaintiffs and rely on the applicability of those agreements on subsequently filed derivative actions so that the Special Committee can undertake its investigation without unnecessary interruption and delay;

**IT IS HEREBY STIPULATED AND AGREED** by and between the undersigned counsel, as follows:

1. Subject to paragraph 2, the Derivative Proceeding shall be stayed in its entirety as against all Defendants pending the Special Committee's conclusion of its investigation regarding the allegations in the Complaint and the demand letters ("Agreed Stay").
2. The Agreed Stay will not extend past November 15, 2010, provided however that, if the Special Committee has not concluded its investigation by November 15, 2010, Plaintiffs shall consent to reasonable requests by the Special Committee to extend the Agreed Stay.
3. Counsel to the Special Committee shall provide to Plaintiffs every sixty (60) days, which period will commence from the date on which this Stipulation is So Ordered, a status update regarding the Special Committee's investigation, and shall advise the Court and Plaintiffs of the Special Committee's determination promptly upon the completion of its investigation regarding the allegations in the Complaint and the demand letters.
4. The parties will file notices of related-case with respect to all subsequently-filed derivative actions on behalf of the Company filed in or transferred to this Court that involve questions of law or fact similar to those contained in the above-captioned action and will seek consolidation as appropriate.
5. Counsel for Plaintiffs in the above captioned action shall have the authority to make agreements with the Special Committee, including this Stipulation, that shall apply to and

are binding on any subsequently filed derivative actions that are consolidated into this Derivative Proceeding.

6. By agreeing to this Stipulation, Defendants and Plaintiffs do not waive and expressly preserve any and all defenses and claims, including, but not limited to, defenses based on lack of standing and lack of continuous stock ownership.

7. As of the date this Stipulation is So Ordered, all Defendants shall be deemed to have accepted service of the Complaint.

Dated: April 14, 2010

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Louise L. Francesconi, William U. Parfet and  
Ronda E. Stryker*

IT IS SO ORDERED.

Dated: \_\_\_\_\_

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Hon. Gordon J. Quist, United States District Court Judge